



January 26, 2006

HOUSE BILL No. 1266

DIGEST OF HB 1266 (Updated January 24, 2006 2:58 pm - DI 92)

Citations Affected: IC 6-3.1; IC 27-5.1; noncode.

Synopsis: Headquarters relocation tax credit. Reduces from \$500,000,000 to \$100,000,000 the amount of annual worldwide revenue that a business must have in order to qualify for the headquarters relocation tax credit. Provides that the credit is available for taxable years beginning after December 31, 2005 (instead of December 31, 2006), for relocation costs incurred after March 31, 2006. Provides that a farm mutual insurance company may elect taxation under the gross premium tax.

Effective: January 1, 2006 (retroactive); April 1, 2006.

Borrer, Bell, Harris T

January 10, 2006, read first time and referred to Committee on Commerce, Economic Development and Small Business.

January 19, 2006, reported — Do Pass. Referred to Committee on Ways and Means pursuant to House Rule 127.

January 25, 2006, amended, reported — Do Pass.

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January 26, 2006

Second Regular Session 114th General Assembly (2006)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2005 Regular Session of the General Assembly.

HOUSE BILL No. 1266

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-3.1-30-2, AS ADDED BY P.L.193-2005,
2 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 APRIL 1, 2006]: Sec. 2. As used in this chapter, "eligible business"
4 means a business that:

- 5 (1) is engaged in either interstate or intrastate commerce;
- 6 (2) maintains a corporate headquarters at a location outside
7 Indiana;
- 8 (3) has not previously maintained a corporate headquarters at a
9 location in Indiana;
- 10 (4) had annual worldwide revenues of at least ~~five~~ **one** hundred
11 million dollars ~~(\$500,000,000)~~ **(\$100,000,000)** for the taxable
12 year immediately preceding the business's application for a tax
13 credit under section 12 of this chapter; and
- 14 (5) commits contractually to relocating its corporate headquarters
15 to Indiana.

16 SECTION 2. IC 27-5.1-2-8 IS AMENDED TO READ AS
17 FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]:

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Sec. 8. The following provisions apply to standard companies and extended companies:

- (1) IC 27-1-3.
- (2) IC 27-1-3.1.
- (3) IC 27-1-5-3.
- (4) IC 27-1-7-14 through IC 27-1-7-16.
- (5) IC 27-1-7-21 through IC 27-1-7-23.
- (6) IC 27-1-9.
- (7) IC 27-1-10.
- (8) IC 27-1-13-3 through IC 27-1-13-4.
- (9) IC 27-1-13-6 through IC 27-1-13-9.
- (10) IC 27-1-15.6.
- (11) IC 27-1-18-2.**
- ~~(12)~~ (12) IC 27-1-20-1.
- ~~(13)~~ (13) IC 27-1-20-4.
- ~~(14)~~ (14) IC 27-1-20-6.
- ~~(15)~~ (15) IC 27-1-20-9 through IC 27-1-20-11.
- ~~(16)~~ (16) IC 27-1-20-14.
- ~~(17)~~ (17) IC 27-1-20-19 through IC 27-1-20-21.3.
- ~~(18)~~ (18) IC 27-1-20-23.
- ~~(19)~~ (19) IC 27-1-20-30.
- ~~(20)~~ (20) IC 27-1-22.
- ~~(21)~~ (21) IC 27-4-1.
- ~~(22)~~ (22) Except as provided in IC 27-6-1.1-6, IC 27-6-1.1-2.
- ~~(23)~~ (23) IC 27-6-2.
- ~~(24)~~ (24) IC 27-7-2.
- ~~(25)~~ (25) IC 27-9.
- ~~(26)~~ (26) IC 34-30-17.

SECTION 3. [EFFECTIVE APRIL 1, 2006] (a) The definitions set forth in IC 6-3.1-30, including IC 6-3.1-30-2, as amended by this act, apply throughout this SECTION.

(b) Notwithstanding the effective dates included in P.L.193-2005, SECTION 21 of P.L.193-2005 takes effect April 1, 2006, and not January 1, 2007.

(c) Notwithstanding SECTION 24 of P.L.193-2005, an eligible business is entitled to a credit under IC 6-3.1-30 for relocation costs that are incurred for a qualifying project:

- (1) after March 31, 2006; and
- (2) during a taxable year beginning after December 31, 2005.

SECTION 4. [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)] IC 27-5.1-2-8, as amended by this act, applies only to taxable years beginning after December 31, 2005.

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1 **SECTION 5. An emergency is declared for this act.**

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Commerce, Economic Development and Small Business, to which was referred House Bill 1266, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

BORROR, Chair

Committee Vote: yeas 9, nays 0.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1266, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between lines 15 and 16, begin a new paragraph and insert:
"SECTION 2. IC 27-5.1-2-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]:
Sec. 8. The following provisions apply to standard companies and extended companies:

- (1) IC 27-1-3.
- (2) IC 27-1-3.1.
- (3) IC 27-1-5-3.
- (4) IC 27-1-7-14 through IC 27-1-7-16.
- (5) IC 27-1-7-21 through IC 27-1-7-23.
- (6) IC 27-1-9.
- (7) IC 27-1-10.
- (8) IC 27-1-13-3 through IC 27-1-13-4.
- (9) IC 27-1-13-6 through IC 27-1-13-9.
- (10) IC 27-1-15.6.
- (11) IC 27-1-18-2.**
- ~~(11)~~ **(12)** IC 27-1-20-1.
- ~~(12)~~ **(13)** IC 27-1-20-4.
- ~~(13)~~ **(14)** IC 27-1-20-6.
- ~~(14)~~ **(15)** IC 27-1-20-9 through IC 27-1-20-11.
- ~~(15)~~ **(16)** IC 27-1-20-14.
- ~~(16)~~ **(17)** IC 27-1-20-19 through IC 27-1-20-21.3.
- ~~(17)~~ **(18)** IC 27-1-20-23.
- ~~(18)~~ **(19)** IC 27-1-20-30.

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~~(19)~~ **(20)** IC 27-1-22.

~~(20)~~ **(21)** IC 27-4-1.

~~(21)~~ **(22)** Except as provided in IC 27-6-1.1-6, IC 27-6-1.1-2.

~~(22)~~ **(23)** IC 27-6-2.

~~(23)~~ **(24)** IC 27-7-2.

~~(24)~~ **(25)** IC 27-9.

~~(25)~~ **(26)** IC 34-30-17."

Page 2, between lines 9 and 10, begin a new paragraph and insert:
 "SECTION 4. [EFFECTIVE JANUARY 1, 2006
 (RETROACTIVE)] **IC 27-5.1-2-8, as amended by this act, applies
 only to taxable years beginning after December 31, 2005.**"

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1266 as printed on January 20, 2006.)

ESPICH, Chair

Committee Vote: yeas 23, nays 0.

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